

31 October 1977

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Reaction to Reorganization and DDO Cuts

1. At the conclusion of our meeting with you on 22 September, you requested that we provide you with reactions in the Agency to the DDI reorganization and DDO cuts. You suggested a meeting when you were not so pressed for time to discuss those reactions; however, we were advised that your calendar did not allow for a meeting for several months. It was suggested that a written response would be more timely, and therefore more useful to you in judging what Agency personnel think of your action on these decisions.

2. We went into the corridors to seek out those reactions. The attached responses reflect very candid feelings of Agency personnel--some directly affected by the reorganization and cuts, and others who are on the periphery, yet who felt strongly enough to register an opinion.

3. We hope our efforts will be useful to you in understanding how your actions are perceived among a small yet diverse sampling of Agency employees.

4. We regret that we will not have the opportunity to meet with you to discuss the reactions, but we do wish to thank you for having received us in June and September.

Respectfully,

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Members of Midcareer Course No. 57

Attachments

Reactions to the Reorganization in the DDI

--Some twenty-five DDI employees were surveyed for their opinions on the intelligence community's reorganization. Most responded unfavorably to the reorganization although only a few were strongly opposed. Most adopted a wait-and-see attitude although a fair amount of skepticism was expressed in light of the results of last December's DDI reorganization. Two common threads were noted in virtually all responses: first, employees do not understand the NFAC lines of command and how it will work, and second they feel a strong sense of identification with CIA that they believe is threatened by the reorganization. The DDI employees were not as concerned with the cutting of the 800 slots, largely because most of them are coming in the DDO.

Despite your assurances that the reorganization will have little impact on most employees' day-to-day activities, people are not persuaded. The majority are apprehensive about the change from DDI to NFAC, and a large number of those surveyed are skeptical about what it will accomplish. Opinions on the impact of the reorganization range from a belief that it is purely cosmetic -- and therefore unnecessary -- to a fear that it is an attempt to reduce the power of CIA as an organization. Only a few thought the reorganization could result in an improved intelligence product.

Most of those surveyed said they did not have any firm opinions on what the impact would be.

Several employees expressed a belief that the reorganization was driven -- and rushed to completion -- by a "top level" need to satisfy Agency critics who were demanding reform. The ensuing reorganization, they reason, was poorly conceived and NFAC may prove to be administratively unworkable. Several of those surveyed continue to view you as the DCI with some suspicion, and think the reorganization is being used as a tool to bring in "outsiders" to wrest control of the intelligence community from the CIA. One employee said the DDI reorganization efforts to date appear aimed more at turning intelligence production components into a mini-university or a RAND Corporation than at improving on an existing intelligence structure.

Employee reactions to the new NIO structure were mixed. About a quarter of those interviewed thought the NIOs could have a negative impact on production offices because the NIOs would have free reign to disrupt research programs and schedules, and command the use of personnel resources irrespective of office managers own plans and programs. An equal number, however, thought the new NIO structure could be a real boon for the intelligence making process, providing top notch personnel occupied those positions. This group did not oppose bringing in highly qualified "outsiders" to fill more of the

NIO slots. The rest adopted a wait-and-see attitude. Nearly all, however, thought the success of the NIOs -- and ultimately of NFAC -- would depend largely on the competence and professionalism of the individual NIOs rather than on any organizational structure.

Most of those interviewed also expressed concern that the NFAC reorganization might result in DDI analysts losing their close ties with the DDO. DDI analysts view their day-to-day contacts with DDO personnel as critical to the intelligence making process. If we are no longer CIA, they reason, DDO will close their doors to us for "need-to-know reasons" as they have done with DIA and State INR. A few analysts said the DDO, severed from its direct contacts with DDI, might feel compelled to develop its own production component to get out its product. They saw the DDO as already moving in this direction.

Virtually all of those surveyed expressed strong opposition to having the intelligence production components severed from the CIA. Despite all of the criticisms of the Agency in recent years -- many of them justified -- employees continue to believe the CIA is special, unique, and a highly professional organization. DDI employees want to remain part of CIA, and to be able to say they work for CIA -- not for an "amorphous intelligence center" with no tradition or institutional ties. Analysts fear that the professional reputation

and influence CIA intelligence production offices currently enjoy may well be lost in the intelligence community while the new center attempts to build a reputation in competition with other more established intelligence organizations.

--The concept and basic logic in the creation of NFAC is sound. It appears, however from the preliminary information available that the NFAC structure will in fact mushroom the number of people working on the top level line and staffs. This will have the effect of more people thinking up, directing, and levying requirements on the same limited resources down at office level that has always accomplished the actual work.

If implementation is planned and executed in the same manner as the December 1976 DDI reorganization, NFAC will start its existence with serious problems. Restraint should be used in rushing into a quick cutover date. It is easy to draft broad mission and function statements but difficult to address and plan the myriad of personnel and management questions that are time consuming yet crucial to success.

As we approach the nine month mark of the DDI reorganization many mid-level officers question if it really ever got off the ground .... the same could happen to the CIA reorganization without some deliberate and detailed planning.

Reactions to the Personnel Cuts in the DDO

-- Reactions at the working level of the DDO concerning pending personnel cuts varies considerably. Those who feel that they may be among those selected for termination are understandably nervous, defensive and critical. They view the cuts as another example of a management less concerned with people than with the perpetuation of the bureaucracy. Many of these individuals, if forced to resign, will leave the Agency bitter and cynical. Others, who agree that the DDO is too large and who accept the need to get rid of the many unproductive employees within the DDO who have been allowed to vegetate for many years, accept the pending cuts as overdue. Many in this group, however, are concerned that the "wrong" people may be cut. A number of DDO employees, both professional and para-professional, are skeptical and cynical concerning the cuts at a time when the DDO is being tasked with ever more operational objectives in the field. Since officers are already working long hours in the field they wonder who will be available to work on the new requirements. They also wonder who will be available to comply with the constant stream of "make work" requirements levied on country desks by the seventh floor. Without doubt, the pending cuts have damaged the morale of DDO personnel, who have become increasingly cynical and disturbed about the direction of the DDO in recent years. They realize that the

DDO is no longer the elite corps they thought it to be in the past. They no longer find the DDO to be the exciting, personally satisfying and effective organization it once was. The bureaucracy has consumed the DDO as it did State Department. Unfortunately, many older employees now count the days to retirement, while many younger employees lack the motivation, dedication and intensity which was once the hallmark of the DDO.



--DDI employee reactions were mixed over the cutting of the 800 slots. Over half of the twenty-five interviewed said they did not know if DDO was overstaffed and they had not heard how the cuts were being made. A vocal minority thought the DDO was indeed overstaffed, and the cuts fully justified. Two of those surveyed, however, said the cuts were "punishment" for past DDO misdeeds. One questioned how personnel planners could determine with confidence what future personnel requirements would be when a major reorganization was pending. This employee reasoned the number 800 was a "quota" that was reached arbitrarily. The other said the Agency could have been more humane by ordering the cuts over a period of several years, allowing normal attrition to absorb most of the cuts. This individual thought that an agency that hires individuals and teaches them skills with little or no outside application has a greater obligation to those individuals than it does to employees with more marketable skills. Some employees expressed concern that "all" the cuts were coming from the lower and middle grades. One employee said the majority of those being cut were women -- reports officers, intelligence assistants, and secretaries. A few expressed a fear that the cuts in DDO would ultimately result in cuts in the DDI. All were basically relieved that the cuts planned thus far would not impact heavily on the DDI.

--In FY 78, more than twice the cuts are to be levied on those in grades GS-9 and below as opposed to GS-10 and above leaving one midcareerist with the impressions that:

1. There will be a rise in the average grade of the DDO; and

2. A situation will be created in which higher graded employees will be forced to spend their time in lower graded duties, primarily clerical, at a comparably greater cost to the government.

The cuts are to be taken by the numbers without regard to functions. Components have been advised to cut by occupational category, principally those jobs noted as "para-professional" (non-case officer) and clerical. Hence the result outlined above. The problem with this approach is that the clerical and "para-professional" duties will still have to be performed by someone--probably the operations officer. One finds it difficult to believe that this will make the DDO more responsive and efficient.

--One midcareerist, seeking out reactions to the cuts in the DDO, anticipates an extremely high caseload impacting on the Equal Employment Opportunity Office and the Inspector General's Office when individuals in the DDO, who are notified that they have been selected out, immediately turn to those offices with petitions asserting that their selection out was based upon age or sex discrimination or with claims citing a lack of objectivity in the selection out process.

There is a greater concern within the DDO regarding the effect that the cuts will have on security within the Directorate of Operations, and, ultimately, on the entire Agency given the fact that there is a six-month notification period prior to separation. The number of people who will be separated and that six-month period, creates an extremely high potential for a serious--or series of--security breaches in an attempt to strike back at the establishment.

Moreover, Mr. Wells' memorandum of October '77, offers an even greater opportunity for emotional strain once the notifications go out. He points out that if attrition rates don't match expectations, others may need to be notified. Hence, the specter of a second cut and the attendant impact on morale, emotional stability and security increases.